

Message Text

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TO SECSTATE WASHDC 5157

INFO AMEMBASSY BRASILIA

UNCLAS SAO PAULO 0937

E.O. 11652: N/A

TAGS: ASCH, BR

SUBJECT: AMERICAN SCHOOL PROBLEMS

1. AMERICAN CHAMBER OF COMMERCE OF SAO PAULO, WICH FOUNDED AMERICAN GRADED SCHOOL OF SAO PAULO AND WICH HAS A CONTROLLING INTEREST IN THE SCHOOL, IS CONSIDERING CHANGING THE PRESENT SITUATION IN WICH THE "QUOTA" HOLDERS DO NOT PAY THEIR APPROPRIATE ANNUAL CONTRIBUTIONS TO THE DEVELOPMENT FUND (NOW CR\$309 A QUARTER - CR\$6.51 EQUALS US\$1.00). THE PRESENT RATIONALE IS THAT THE QUOTA HOLDERS RECEIVED THEIR RESPECTIVE QUOTAS FOR THEIR PROPORTIONAL CONTRIBUTIONS TO THE CONSTRUCTION OF THE PRESENT SCHOOL PREMISES. ABOUT 12 AMERICAN CORPORATIONS HAVE QUOTAS AT PRESENT AND MOST ARE APPARENTLY WILLING TO RELINQUISH THEIR SPECIAL STATUS AND START TO CONTRIBUTE TO THE DEVELOPMENT FUND FOR THE MAXIMIM OF 10 OR 12 STUDENTS PER COMPANY NOW EXEMPT. THE MAJOR PROBLEM IS THE 120 QUOTAS WICH THE U.S. GOVERNMENT RECEIVED IN RETURN FOR OUR CAPITAL GRANT. THESE QUOTAS ARE CURRENTLY APPLIED TO 120 OF THE APPROXIMATELY 360 BRAZILIAN STUDENTS IN THE SCHOOL, AS IT WERE IN THE FORM OF A SCHOLARSHIP.

2. QUERY: IS THERE ANY REQUIREMENT THAT THE AMERICAN GRADED SCHOOL CONTINUE TO EXEMPT 120 BRAZLIAN STUDENTS FROM CONTRIBUTIONS TO THE DEVELOPMENT FUND AS A STIPULATION OF THE ORIGINAL CAPITAL GRANT? THE SCHOOL BOARD IS PRESENTLY PROPOSING RAISING THE QUARTERLY DEVELOPMENT FUND CONTRIBUTIONS FROM CR\$ 309 TO CR\$700, BUT IF THE QUOTA HOLDERS WERE TO WAIVE THEIR EXEMPTION IT MIGHT BE POSSIBLE TO REDUCE THE QUARTERLY PAYMENT

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TO SAY CR\$500. NEVERTHELESS, THE MINIMUM INCREASE FOR THE PRESEN-

TLY FAVORED 120 BRAZILIAN STUDENTS WILL BE AT LEAST A HEFTY
CR\$2,000 PER ANNUM.

3. NEITHER THE POST NOR THE EMBASSY HAVE FILES DATING BACK
TO THE ORIGINAL GRANT AND ITS TERMS. A/OS SHOULD ALSO BE
AWARE THAT THE CHAMBER'S NEW POLICY STATEMENT FOR THE SCHOOL
AIMS AT MAXIMIZING THE PROPORTION OF AMERICAN AND NATIVE
ENGLISH-SPEAKING CHILDREN IN THE SCHOOL TO ECONOMIZE ON PRESENT
AND FUTURE CAPITAL NEEDS AND REQUIREMENTS. AS AMERICAN INVEST-
MENT EXPANDS IN THE SAO PAULO AREA, SO DO THE NUMBERS OF AMERI-
CAN CHILDREN SEEKING ENTRY INTO THE AMERICAN GRADED SCHOOL,
WICH HAS A RESPONSIBILITY TO ACCEPT HALL ACADEMICALLY QUALIFIED
AMERICAN CHILDREN. THE ONLY REASON THE PRESSURE HAS NOT BEEN
GREATER TO DATE IS THAT SOME OBSERVERS HAVE BELIEVED THAT THE
QUALITY OF EDUCATION AND DISCIPLINE ARE GREATER IN THE TWO
AMERICAN SECTARIAN SCHOOLS IN SAO PAULO AND CONSIDERABLE
NUMBERS OF PARENTS HAVE PREFERRED TO SEND THEIR CHILDREN TO
THOSE SCHOOLS, EVEN IF THEY DID NOT SHARE THE SCHOOL'S RELIGIOUS
BELIEFS.

4. A PROMPT RESPONSE TO THE QUERY ABOVE FOR FORWARDING TO THE
AMERICAN CHAMBER DURING ITS PRESENT DELIBERATIONS ON
POLICY WOULD BE APPRECIATED. A MINOR SAVING TO THE USG WOULD BE
FROM ANY FUTURE REDUCTION IN SCHOOL ALLOWANCES FOR OFFICIAL
CHILDREN AT THE GRADED SCHOOL WICH WOULD RESULT FROM FREEING
UP THE QUOTAS.
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